

DOVE VALLEY METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2017

with

Independent Auditors' Report

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Office of the State Auditor

July 25, 2018

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Board of Directors  
Dove Valley Metropolitan District  
Arapahoe County, Colorado

### Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Dove Valley Metropolitan District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Dove Valley Metropolitan District as of December 31, 2017, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and for the Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other-Matters***

### *Required Supplementary Information*

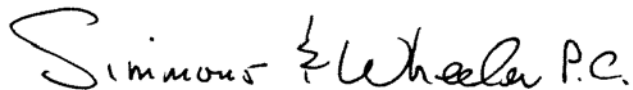
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dove Valley Metropolitan District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The continuing disclosure annual financial information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in cursive script that reads "Simmons & Wheeler P.C.".

Englewood, CO  
July 19, 2018

**DOVE VALLEY METROPOLITAN DISTRICT**

BALANCE SHEET/STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
December 31, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Conservation Trust</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>							
Cash and investments	\$ 4,314,171	\$ -	\$ -	\$ -	\$ 4,314,171	\$ -	\$ 4,314,171
Cash and investments - restricted	-	1,028,622	4,495,548	50,268	5,574,438	-	5,574,438
Receivable - County Treasurer	6,068	16,949	-	-	23,017	-	23,017
Property taxes receivable	993,309	2,737,901	-	-	3,731,210	-	3,731,210
Accounts receivable - Build America Bonds	-	-	-	-	-	31,826	31,826
Deposits	-	-	651,795	-	651,795	-	651,795
Prepaid expenses	8,178	-	-	-	8,178	-	8,178
Capital assets, not being depreciated	-	-	-	-	-	2,700,396	2,700,396
Capital assets, net of depreciation	-	-	-	-	-	1,477,573	1,477,573
<b>Total Assets</b>	<u>5,321,726</u>	<u>3,783,472</u>	<u>5,147,343</u>	<u>50,268</u>	<u>14,302,809</u>	<u>4,209,795</u>	<u>18,512,604</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred loss on refunding	-	-	-	-	-	1,308,240	1,308,240
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,308,240</u>	<u>1,308,240</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 5,321,726</u>	<u>\$ 3,783,472</u>	<u>\$ 5,147,343</u>	<u>\$ 50,268</u>	<u>\$ 14,302,809</u>		
<b>LIABILITIES</b>							
Accounts payable	\$ 50,990	\$ -	\$ 166,430	\$ -	\$ 217,420	-	217,420
Retainage payable	-	-	6,772	-	6,772	-	6,772
Accrued interest on bonds	-	-	-	-	-	97,357	97,357
Accrued interest on loan	-	-	-	-	-	86,156	86,156
Loan payable - due within one year	-	-	-	-	-	925,000	925,000
Long-term liabilities:							
Loan payable in greater than one year	-	-	-	-	-	37,085,000	37,085,000
Bonds payable in greater than one year	-	-	-	-	-	8,730,000	8,730,000
<b>Total Liabilities</b>	<u>50,990</u>	<u>-</u>	<u>173,202</u>	<u>-</u>	<u>224,192</u>	<u>46,923,513</u>	<u>47,147,705</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred property taxes	993,309	2,737,901	-	-	3,731,210	-	3,731,210
<b>Total Deferred Inflows of Resources</b>	<u>993,309</u>	<u>2,737,901</u>	<u>-</u>	<u>-</u>	<u>3,731,210</u>	<u>-</u>	<u>3,731,210</u>
<b>FUND BALANCES/NET POSITION</b>							
<b>Fund Balances:</b>							
<b>Nonspendable:</b>							
Prepays	8,178	-	-	-	8,178	(8,178)	-
<b>Restricted:</b>							
Emergencies	31,120	-	-	-	31,120	(31,120)	-
Debt service	-	1,045,571	-	-	1,045,571	(1,045,571)	-
Capital projects	-	-	4,974,141	-	4,974,141	(4,974,141)	-
Conservation trust	-	-	-	50,268	50,268	(50,268)	-
Assigned	1,472,370	-	-	-	1,472,370	(1,472,370)	-
Unassigned	2,765,759	-	-	-	2,765,759	(2,765,759)	-
<b>Total Fund Balances</b>	<u>4,277,427</u>	<u>1,045,571</u>	<u>4,974,141</u>	<u>50,268</u>	<u>10,347,407</u>	<u>(10,347,407)</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 5,321,726</u>	<u>\$ 3,783,472</u>	<u>\$ 5,147,343</u>	<u>\$ 50,268</u>	<u>\$ 14,302,809</u>		
<b>Net Position:</b>							
Net investment in capital assets						(4,552,031)	(4,552,031)
<b>Restricted for:</b>							
Emergencies						31,120	31,120
Debt service						862,058	862,058
Capital projects						4,974,141	4,974,141
Conservation trust						50,268	50,268
Unrestricted						<u>(32,423,627)</u>	<u>(32,423,627)</u>
<b>Total Net Position</b>						<u>\$ (31,058,071)</u>	<u>\$ (31,058,071)</u>

The notes to the financial statements are an integral part of these statements.

**DOVE VALLEY METROPOLITAN DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Conservation Trust</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>							
Accounting and audit	\$ 26,118	\$ -	\$ -	\$ -	\$ 26,118	\$ -	\$ 26,118
District management	32,636	-	6,210	-	38,846	(6,210)	32,636
Directors' fees	1,600	-	-	-	1,600	-	1,600
District identity and website	-	-	5,725	-	5,725	-	5,725
Insurance	8,796	-	-	-	8,796	-	8,796
Irrigation	100,919	-	-	-	100,919	-	100,919
Landscape maintenance	92,969	-	-	-	92,969	-	92,969
Legal	32,787	-	10,197	-	42,984	(10,197)	32,787
Miscellaneous expenses	4,455	-	-	-	4,455	-	4,455
Payroll taxes	122	-	-	-	122	-	122
Street lights	140,636	-	-	-	140,636	-	140,636
Treasurer's fees	13,076	36,629	-	-	49,705	-	49,705
Bond interest expense - 2010 Bonds	-	584,141	-	-	584,141	-	584,141
Loan principal - 2015 Loan	-	900,000	-	-	900,000	(900,000)	-
Loan interest expense - 2015 Loan	-	1,073,051	-	-	1,073,051	195,808	1,268,859
Paying agent fees	-	2,600	-	-	2,600	-	2,600
Project management	-	-	7,268	-	7,268	(7,268)	-
Depreciation	-	-	-	-	-	96,112	96,112
Capital improvements	-	-	512,626	-	512,626	(512,626)	-
<b>Total Expenditures</b>	<u>454,114</u>	<u>2,596,421</u>	<u>542,026</u>	<u>-</u>	<u>3,592,561</u>	<u>(1,144,381)</u>	<u>2,448,180</u>
<b>GENERAL REVENUES</b>							
Property taxes	871,092	2,440,227	-	-	3,311,319	-	3,311,319
Specific ownership taxes	75,407	210,662	-	-	286,069	-	286,069
Conservation trust funds	-	-	-	16,520	16,520	-	16,520
Interest income	6,247	4,919	8,854	20	20,040	-	20,040
Miscellaneous income	1,473	-	-	-	1,473	-	1,473
<b>Total General Revenues</b>	<u>954,219</u>	<u>2,655,808</u>	<u>8,854</u>	<u>16,540</u>	<u>3,635,421</u>	<u>-</u>	<u>3,635,421</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>500,105</u>	<u>59,387</u>	<u>(533,172)</u>	<u>16,540</u>	<u>42,860</u>	<u>1,144,381</u>	<u>1,187,241</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Reimbursement - Build America Bonds	-	190,342	-	-	190,342	102	190,444
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>190,342</u>	<u>-</u>	<u>-</u>	<u>190,342</u>	<u>102</u>	<u>190,444</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>500,105</u>	<u>249,729</u>	<u>(533,172)</u>	<u>16,540</u>	<u>233,202</u>	<u>(233,202)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>						1,377,685	1,377,685
<b>FUND BALANCES/NET POSITION:</b>							
<b>BEGINNING OF YEAR</b>	<u>3,777,322</u>	<u>795,842</u>	<u>5,507,313</u>	<u>33,728</u>	<u>10,114,205</u>	<u>(42,549,961)</u>	<u>(32,435,756)</u>
<b>END OF YEAR</b>	<u>\$ 4,277,427</u>	<u>\$ 1,045,571</u>	<u>\$ 4,974,141</u>	<u>\$ 50,268</u>	<u>\$ 10,347,407</u>	<u>\$ (41,405,478)</u>	<u>\$ (31,058,071)</u>

The notes to the financial statements are an integral part of these statements.

**DOVE VALLEY METROPOLITAN DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND

For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes	\$ 887,047	\$ 871,092	\$ (15,955)
Allowance for uncollectible accounts	(18,480)	-	18,480
Specific ownership taxes	59,000	75,407	16,407
Interest income	2,550	6,247	3,697
Miscellaneous income	-	<u>1,473</u>	<u>1,473</u>
 Total Revenues	 <u>930,117</u>	 <u>954,219</u>	 <u>24,102</u>
 <b>EXPENDITURES</b>			
Accounting and audit	28,320	26,118	2,202
Consulting	1,500	-	1,500
District management	50,150	32,636	17,514
Directors' fees	3,200	1,600	1,600
Insurance	10,100	8,796	1,304
Irrigation	100,000	100,919	(919)
Landscape maintenance	105,000	92,969	12,031
Legal	47,000	32,787	14,213
Miscellaneous expenses	7,000	4,455	2,545
Payroll taxes	245	122	123
Street lights	78,700	140,636	(61,936)
Treasurer's fees	13,306	13,076	230
Emergency reserve	<u>27,910</u>	<u>-</u>	<u>27,910</u>
 Total Expenditures	 <u>472,431</u>	 <u>454,114</u>	 <u>18,317</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	 457,686	 500,105	 42,419
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfer (to) other funds	<u>(1,020,000)</u>	<u>-</u>	<u>1,020,000</u>
 Total Other Financing Sources (Uses)	 <u>(1,020,000)</u>	 <u>-</u>	 <u>1,020,000</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 (562,314)	 500,105	 1,062,419
 <b>FUND BALANCE:</b>			
BEGINNING OF YEAR	<u>3,780,720</u>	<u>3,777,322</u>	<u>(3,398)</u>
END OF YEAR	<u>\$ 3,218,406</u>	<u>\$ 4,277,427</u>	<u>\$ 1,059,021</u>

The notes to the financial statements are an integral part of these statements.

## DOVE VALLEY METROPOLITAN DISTRICT

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND - CONSERVATION TRUST FUND For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Conservation trust funds	\$ 15,000	\$ 16,520	\$ 1,520
Interest income	<u>10</u>	<u>20</u>	<u>10</u>
Total Revenues	<u>15,010</u>	<u>16,540</u>	<u>1,530</u>
<b>EXPENDITURES</b>			
Miscellaneous expenses	-	-	-
Contingency	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	15,010	16,540	1,530
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	<u>30,548</u>	<u>33,728</u>	<u>3,180</u>
END OF YEAR	<u>\$ 45,558</u>	<u>\$ 50,268</u>	<u>\$ 4,710</u>

The notes to the financial statements are an integral part of these statements.

# DOVE VALLEY METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2017

### Note 1: Summary of Significant Accounting Policies

The accounting policies of the Dove Valley Metropolitan District (“District”), located in Arapahoe County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

#### Definition of Reporting Entity

The District was organized on April 30, 1984 as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to provide street improvements, traffic and safety control devices, parks and recreational facilities, and transportation services that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

In December 1988 and in January 2000, the District amended its Service Plan to include the operation and/or maintenance of water and sanitation services, local sanitary and drainage facilities and streets, either independently or pursuant to intergovernmental agreements with Arapahoe County, Parker Jordan Metropolitan District and Douglas County, as appropriate. In October 2004, the District again modified its Service Plan to reflect a modified Financial Plan and to grant the District the authority to issue the remaining voted debt in the amount of \$18,000,000.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

The District has no employees and all operations and administrative functions are contracted.

# DOVE VALLEY METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2017

### Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

## DOVE VALLEY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2017

The District reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

**Debt Service Fund** – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

**Capital Projects Fund** – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

**Special Revenue Fund - Conservation Trust Fund** – The Conservation Trust Fund is a special revenue fund used to account for all financial resources that are restricted, committed or assigned for Conservation Trust Fund eligible expenditures.

#### Budgetary Accounting

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

In November 2017, the District amended its total appropriations in the Debt Service Fund from \$2,584,393 to \$2,600,000 primarily due to the increase in the Series 2015 interest expense.

#### Assets, Liabilities and Net Position

##### Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2017, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

# DOVE VALLEY METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2017

### Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

### Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt using the interest method. The amortization amount is reported as a component of interest expense.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

# DOVE VALLEY METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2017

### Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Monumentation	20 years
Street lights	20 years

### Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

## DOVE VALLEY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2017

#### Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

#### Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as prepaids or inventory) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$8,178 represents prepaid expenditures.

#### Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$31,120 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$1,045,571 is restricted for the payment of the debt service costs associated with the District's Series 2010 General Obligation Bonds, 2015 Loan and its IGA Obligation Debt (see Notes 4 & 5).

The restricted fund balance in the Capital Projects Fund in the amount of \$4,974,141 is restricted as unused bond proceeds to be used for the payment of the costs for capital improvements within the District.

The restricted fund balance in the Conservation Trust Fund in the amount of \$50,268 is restricted for use on Conservation Trust Fund eligible park and recreation expenditures.

#### Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

# DOVE VALLEY METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2017

### Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

The assigned fund balance in the General Fund in the amount of \$1,472,370 represents funds intended for use for operating expenses during 2018 per the adopted budget for 2018 approved by the Board of Directors.

### Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

### Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

DOVE VALLEY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2017

Note 2: Cash and Investments

As of December 31, 2017, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 4,314,171
Cash and investments – Restricted	<u>5,574,438</u>
Total	<u>\$ 9,888,609</u>

Cash and investments as of December 31, 2017 consist of the following:

Deposits with financial institutions	\$ 4,751,525
Investments – Commercial paper	<u>5,137,084</u>
	<u>\$ 9,888,609</u>

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District follows state statutes for deposits. None of the District’s deposits were exposed to custodial credit risk.

John, should we have custodial risk due to the 1rst Bank accounts?

Investments

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District’s investment is not required to be categorized within the fair value hierarchy. This investment’s value is calculated using the net asset value method (NAV) per share.

## DOVE VALLEY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2017

As of December 31, 2017, the District had the following investments:

#### US Bank Commercial Paper

During 2017, the District's funds that were included in the bond related accounts at US Bank were invested in US Bank Open Monthly Manual Sweep Commercial Paper. Each share is equal in value to \$1.00 and is interest-bearing. The investments for the Series 2010 Bonds in the amount of \$4,871,643 matures on February 1, 2018 and \$214 matures on June 1, 2018 and the investment for the Series 2015 Loan in the amount of \$265,227 matures on March 1, 2018. The investment is rated A-1+ by Standard and Poor's. As of December 31, 2017, the District had \$5,137,084 in this investment, all of which was reserved for the repayment of bond/loan principal and interest or to be used for capital improvements.

#### Credit Risk

The District investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

#### Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

#### Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

DOVE VALLEY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2017

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2017 follows:

	Balance			Balance
<u>Governmental Type Activities:</u>	<u>12-31-16</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-17</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress - monumentation	\$ 2,195	\$ 2,445	\$ -	\$ 4,640
Construction in progress - trails	585,164	4,424	-	589,588
Construction in progress - medians	70,244	-	-	70,244
Construction in progress - streets/other	<u>1,506,492</u>	<u>529,432</u>	<u>-</u>	<u>2,035,924</u>
Total assets not being depreciated	<u>2,164,095</u>	<u>536,301</u>	<u>-</u>	<u>2,700,396</u>
<u>Capital assets being depreciated:</u>				
Monumentation	1,195,191	-	-	1,195,191
Street lights	<u>727,039</u>	<u>-</u>	<u>-</u>	<u>727,039</u>
Total assets being depreciated	1,922,230	-	-	1,922,230
<u>Accumulated depreciation</u>				
Monumentation	(239,489)	(59,760)	-	(299,249)
Street lights	<u>(109,056)</u>	<u>(36,352)</u>	<u>-</u>	<u>(145,408)</u>
Total accumulated depreciation	<u>(348,545)</u>	<u>(96,112)</u>	<u>-</u>	<u>(444,657)</u>
Net capital assets being depreciated	<u>1,573,685</u>	<u>(96,112)</u>	<u>-</u>	<u>1,477,573</u>
Government type assets, net	<u>\$ 3,737,780</u>	<u>\$ 440,189</u>	<u>\$ -</u>	<u>\$ 4,177,969</u>

It is the policy of Arapahoe County and the City of Centennial to accept the maintenance responsibility for improvements within the County only after a probationary period following the completion of construction. Upon final acceptance of the streets by the County or the City, the District will remove the costs of construction from its capital assets. The District will maintain the ownership and maintenance of the District-owned street lighting and monumentation once those projects are completed.

DOVE VALLEY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2017

Note 4: Long Term Debt

The following is an analysis of changes in long-term debt for the period ending December 31, 2017:

	Balance 12-31-16	Additions	Deletions	Balance 12-31-17	Current Portion
Series 2010 Bonds	\$ 8,730,000	\$ -	\$ -	\$ 8,730,000	\$ -
Series 2015 Loan	38,910,000	-	900,000	38,010,000	925,000
	\$ 47,640,000	\$ -	\$ 900,000	\$46,740,000	\$925,000

A description of the long-term obligations as of December 31, 2017 is as follows:

\$40,635,000 Taxable (Convertible to Tax-Exempt) General Obligation Refunding Loan – Series 2015

On April 29, 2015, the District entered into a Loan Agreement with U. S. Bank for a \$40,635,000 Taxable (Convertible to Tax-Exempt) General Obligation Refunding Loan, Series 2015 (“2015 Loan”). The 2015 Loan is evidenced by a promissory note. The 2015 Loan was issued to provide funds to advance refund the District’s Series 2005 Bonds and to pay the costs of issuance. This refunding resulted in a net present value savings to the District of approximately \$7,200,000.

The 2015 Loan matures on April 29, 2025. Principal payments are due on December 1 of each year, commencing December 1, 2015. Interest is payable on June 1 and December 1 of each year beginning December 1, 2015. The Series 2015 Loan has a coupon rate of 3.89% through August 3, 2015 and 2.72% from August 3, 2015 through April 29, 2025.

The District may repay all or any part of the principal of the 2015 Loan on any one or more of the principal payment dates, upon payment of a prepayment fee equal to the greater of zero or the net of the principal amount of the loan or portion of the loan to be prepaid minus the net present value of the loan or portion of the loan, as determined by U. S. Bank.

DOVE VALLEY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2017

The following is a summary of the annual long-term debt principal and interest requirements to maturity as of December 31, 2017:

	Principal	Interest	Total
2018	\$ 925,000	\$ 1,048,231	\$ 1,973,231
2019	950,000	1,022,722	1,972,722
2020	1,050,000	999,253	2,049,253
2021	1,075,000	967,566	2,042,566
2022	1,175,000	937,920	2,112,920
2023 - 2025	32,835,000	2,122,397	34,957,397
	<u>\$ 38,010,000</u>	<u>\$ 7,098,089</u>	<u>\$ 45,108,089</u>

\$8,730,000 Taxable General Obligation Direct Pay Build America Bonds, Series 2010 Bonds

On November 18, 2010, the District issued \$8,730,000 of Taxable General Obligation Direct Pay Build America Bonds, Series 2010 (“Series 2010 Bonds”). The Series 2010 Bonds bear interest with rates varying from 6.487% to 6.750% payable semiannually on May 1 and November 1, beginning May 1, 2011. The bonds mature on November 1, 2028 through November 1, 2040 and are subject to mandatory sinking fund redemption beginning in 2019, in accordance with schedules set forth in the bond documents. The bonds maturing on and after November 1, 2021 are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000 in any order of maturity designated by the District and in whole or partial maturities on November 1, 2020, and on any date thereafter upon payment of par and accrued interest. Proceeds from the sale of the bonds will be used to finance capital projects, establish a reserve fund and to pay the costs of the issuance of the bonds. The required reserve fund amount is equal to \$554,449.

The Series 2010 Bonds were issued as “Build America Bonds” as defined by the American Recovery and Reinvestment Act of 2009. Per this act, the District expects to receive a cash subsidy payment from the United States Department of the Treasury equal to 35% of the interest payable on the bonds on or about each interest payment date. The cash payment does not constitute a full faith and credit guarantee of the United States government, but is required to be paid under the Recovery Act. For 2017, per notification from the IRS, the subsidy payments applied for were reduced by 6.9% in May 2017 and 6.6% in November 2017 (“Sequestration Reduction”).

DOVE VALLEY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2017

The following is a summary of the annual long-term debt principal and interest requirements to maturity as of December 31, 2017 before the projected cash subsidy described above:

	Principal	Interest	Total
2018	\$ -	\$ 584,141	\$ 584,141
2019	15,000	584,141	599,141
2020	15,000	583,168	598,168
2021	30,000	582,194	612,194
2022	35,000	580,248	615,248
2023 - 2027	765,000	2,801,992	3,566,992
2028 - 2032	1,235,000	2,493,327	3,728,327
2033 - 2037	3,060,000	1,964,554	5,024,554
2038 - 2040	3,575,000	493,087	4,068,087
	\$ 8,730,000	\$ 10,666,852	\$ 19,396,852

Debt Authorization

As of December 31, 2017, the District had remaining voted debt authorization of \$6,270,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District’s service area. The District did not budget to issue any debt in 2018.

Note 5: Intergovernmental Agreements

Intergovernmental Agreement Regarding 2013 Grant of Arapahoe County Open Space Program Funds – Project Name: Happy Canyon Trail and Bridge Project

On April 29, 2014, the District entered into an Intergovernmental Agreement Regarding 2013 Grant of Arapahoe County Open Space Program Funds – Project Name: Happy Canyon Trail and Bridge Project (“Grant”) with Arapahoe County (“County”) whereby the County awarded \$240,000 in grant funds from the Arapahoe County Open Space Fund for construction of the Happy Canyon Trail and Bridge Project. Upon execution of the Grant, the County deposited \$240,000 with the District. As part of the Grant, the District is required to supply matching funds of \$90,000. As of December 31, 2017, this agreement has been completed.

## DOVE VALLEY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2017

#### Intergovernmental Agreement Regarding Park Signage Construction and Future Signage Management – Project Name: Dove Valley Regional Park Monument Signage

On June 4, 2014, the District entered into an Intergovernmental Agreement Regarding Park Signage Construction and Future Signage Management – Project Name: Dove Valley Regional Park Monument Signage with Arapahoe County (“County”), whereby the County and the District agree to jointly fund the installation of two signage monuments (“Project”). Under the Agreement, each party is responsible for administration of certain portions of the Project, and the District agrees to contribute \$134,391 for the Project. The Dove Valley Regional Park Monument has been conveyed to the County for maintenance; however, the District and the County jointly retain decision making as it relates to any changes to the monument’s original appearance and ultimate useful life cycle. As of December 31, 2017 the funding for this agreement has been completed.

#### Intergovernmental Agreement Regarding Contribution of Arapahoe County Open Space Program Funds – Project Name: Dove Valley Trails Initiative

On August 28, 2014, the District entered into an Intergovernmental Agreement Regarding Contribution of Arapahoe County Open Space Program Funds – Project Name: Dove Valley Trails Initiative with Arapahoe County (“County”), whereby the County agreed to contribute up to \$70,000 to the District to be used solely towards construction of a portion of the District’s planned system of public trails. As of December 31, 2017, this agreement has been completed.

#### Intergovernmental Agreement Regarding Fremont Avenue/Eagle Street Realignment and Street Lighting

On April 27, 2015, the District entered into an Intergovernmental Agreement Regarding Fremont Avenue/Eagle Street Realignment and Street Lighting with Southeast Metro Stormwater Authority (“SEMSWA”), whereby the District is obligated to provide for the construction and installation of certain public on-site stormwater improvements per an approved Phase II Drainage Report. In order to secure the performance of the construction and installation of the improvements, the District is required to provide SEMSWA with collateral equal to 100% of the estimated cost of completion. Upon completion and acceptance, these improvements will be conveyed to SEMSWA. As of December 31, 2017, this agreement has been completed.

#### Traffic Signals – City of Centennial

In April 2006, the District entered into an agreement with the City of Centennial (“City”) whereby the District agreed to fund \$997,500 towards the costs of traffic signals. Upon execution of the agreement, the District deposited \$427,500 with the City. Future deposits were to be made by the District as construction progressed. On October 4, 2012, the District and the City executed an Intergovernmental Agreement Regarding Construction and Cost-Sharing of Traffic Controls and Termination of Prior Intergovernmental Agreement Regarding Construction and Cost Sharing of Traffic Signals. The purpose of this agreement was to authorize the refunding of certain payments

## DOVE VALLEY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2017

previously collected from property owners within the City and to provide for the cost sharing and design processes related to future traffic control improvements. Upon execution of this agreement, the City refunded \$285,000 to the District which was on deposit with the City from the prior agreement.

The October 4, 2012 agreement was supplemented on July 30, 2013 by the “Letter Agreement – Potomac and Briarwood Signalization Funding” between the District and the City, whereby the \$302,909 estimated completion cost of the signalization project was established, and the District agreed to contribute its pro rata share of \$176,066 of the project costs to the City within 45 days of the date of the Letter Agreement.

On February 12, 2016, the District approved the First Amended and Restated Intergovernmental Agreement regarding Construction and Cost Sharing of Traffic Controls (“Amended and Restated IGA”) with the City, effective October 4, 2015, which amends and restates in its entirety the October 4, 2012 agreement. The purpose of the Amended and Restated IGA is to allocate between the parties the costs of the traffic controls located within the boundaries of the District and the City, and to establish the process by which such traffic controls will be designed and constructed.

#### Traffic Signals – Arapahoe County

On January 12, 2004, the District entered into an agreement with Arapahoe County for the cost sharing and construction of traffic signals for a number of intersections within the District. The District funded \$495,000 pursuant to the agreement in February 2004, which work has been completed. On October 23, 2006, the District and Arapahoe County amended the agreement to add an additional traffic signal at Broncos Parkway and Peoria Street with funding required from the District in the amount of \$100,000, and extended the term of the agreement to January 12, 2010. On November 17, 2009, the District approved a Second Amendment which extended the agreement until January 12, 2013. During 2012, the District approved a Third Amendment which was finalized in 2013 with an effective date of January 12, 2013, and which will extend the agreement until January 12, 2016. The Third Amendment states that the IGA will automatically be renewed for another three years, unless advance 90 day notice is given by either party.

#### Intergovernmental Agreement Regarding Contribution of Arapahoe County Open Space Program Funds – Project Name: Lone Tree Creek Trail Joint Project – Phase I

On January 5, 2015, the District entered into an Intergovernmental Agreement Regarding Contribution of Arapahoe County Open Space Program Funds – Project Name: Lone Tree Creek Trail Joint Project – Phase I with Arapahoe County (“County”) and the City of Centennial (“City”), whereby the County agreed to contribute \$100,000 towards completion of the Lone Tree Creek Trail Project, contingent upon contributions by the District of \$33,900 and by the City of \$80,000.

## DOVE VALLEY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2017

#### Intergovernmental Subdivision Improvement Agreement Hannibal Circle – Street/Storm Plan

On November 2, 2017, the District entered into an Intergovernmental Subdivision Improvement Agreement Hannibal Circle – Street/Storm Plan with the County, whereby the District agreed to construct, or cause to be constructed, all streets, curb, gutter, sidewalk, pans and drainage improvements within certain property owned by the County (collectively, the “Improvements”). Upon completion and acceptance of those Improvements within the County right-of-way, such Improvements will be conveyed to the County for ownership. All other Improvements will be owned and maintained by the District. The District agreed to appropriate \$2,500,000 for the cost of construction of the Improvements.

#### Note 6: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (“TABOR”) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year’s Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District’s management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

#### Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (“Pool”) which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

# DOVE VALLEY METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2017

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 8: Related Party

All of the members of the Board of Directors are employees, officers or are otherwise associated with the developers within the District and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Government Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as bonds and loans payable, accrued bond and loan interest payable, and accrued bond interest receivable are not due and payable or receivable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report capital outlays as expenditures; however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the statement of activities; and
- 3) governmental funds report bond and loan principal payments as expenditures; however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

DOVE VALLEY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2017

Note 10: Subsequent Event

On January 8, 2018, the District entered into a Development Agreement with Arapahoe County Water and Wastewater Authority (“ACWWA”) whereby the parties agreed that the District would construct certain water and/or sewer facilities for connection to ACWWA water and/or sewer facilities (the “Facilities”). The District agreed to provide ACWWA with a letter of credit or cash deposit in the initial amount of \$455,568 for the construction of the Facilities (the “Financial Guaranty”). The District made a cash deposit with ACWWA in July 2017. The Financial Guaranty is required to be in effect beginning October 12, 2017 and will expire on the date that ACWWA finally accepts the Facilities.

## SUPPLEMENTAL INFORMATION

## DOVE VALLEY METROPOLITAN DISTRICT

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2017

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Property taxes	\$ 2,453,720	\$ 2,453,720	\$ 2,440,227	\$ (13,493)
Allowance for uncollectible accounts	(49,074)	(49,074)	-	49,074
Specific ownership taxes	163,600	163,600	210,662	47,062
Interest income	<u>500</u>	<u>2,796</u>	<u>4,919</u>	<u>2,123</u>
Total Revenues	<u>2,568,746</u>	<u>2,571,042</u>	<u>2,655,808</u>	<u>84,766</u>
<b>EXPENDITURES</b>				
Treasurer's fees	36,900	36,900	36,629	271
Bond interest expense - 2010 Bonds	584,141	584,141	584,141	-
Loan principal - 2015 Loan	900,000	900,000	900,000	-
Loan interest expense - 2015 Loan	1,058,352	1,073,051	1,073,051	-
Contingency	-	908	-	908
Paying agent fees	<u>5,000</u>	<u>5,000</u>	<u>2,600</u>	<u>2,400</u>
Total Expenditures	<u>2,584,393</u>	<u>2,600,000</u>	<u>2,596,421</u>	<u>3,579</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(15,647)	(28,958)	59,387	88,345
<b>OTHER FINANCING SOURCES (USES)</b>				
Reimbursement - Build America Bonds	<u>190,546</u>	<u>190,546</u>	<u>190,342</u>	<u>(204)</u>
Total Other Financing Sources (Uses)	<u>190,546</u>	<u>190,546</u>	<u>190,342</u>	<u>(204)</u>
<b>NET CHANGE IN FUND BALANCE</b>	174,899	161,588	249,729	88,141
<b>FUND BALANCE:</b>				
BEGINNING OF YEAR	<u>803,004</u>	<u>795,842</u>	<u>795,842</u>	<u>-</u>
END OF YEAR	<u>\$ 977,903</u>	<u>\$ 957,430</u>	<u>\$ 1,045,571</u>	<u>\$ 88,141</u>

The notes to the financial statements are an integral part of these statements.

# DOVE VALLEY METROPOLITAN DISTRICT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year Ended December 31, 2017

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Interest income	\$ 4,900	\$ 8,854	\$ 3,954
Total Revenues	<u>4,900</u>	<u>8,854</u>	<u>3,954</u>
<b>EXPENDITURES</b>			
Contribution to City for traffic study	15,000	-	15,000
District management	15,400	6,210	9,190
District identity and website	50,000	5,725	44,275
Legal	25,000	10,197	14,803
Project management	30,000	7,268	22,732
Capital improvements	<u>3,900,000</u>	<u>512,626</u>	<u>3,387,374</u>
Total Expenditures	<u>4,035,400</u>	<u>542,026</u>	<u>3,493,374</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(4,030,500)	(533,172)	3,497,328
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from other funds	<u>1,020,000</u>	<u>-</u>	<u>(1,020,000)</u>
Total Other Financing Sources (Uses)	<u>1,020,000</u>	<u>-</u>	<u>(1,020,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,010,500)	(533,172)	2,477,328
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	<u>3,013,279</u>	<u>5,507,313</u>	<u>2,494,034</u>
END OF YEAR	<u>\$ 2,779</u>	<u>\$ 4,974,141</u>	<u>\$ 4,971,362</u>

The notes to the financial statements are an integral part of these statements.

**DOVE VALLEY METROPOLITAN DISTRICT**

SUMMARY OF ASSESSED VALUATION, MILL LEVY  
AND PROPERTY TAXES COLLECTED

December 31, 2017

<u>Year Ended</u> <u>December 31,</u>	<u>Prior</u> <u>Year Assessed</u> <u>Valuation</u> <u>for Current</u> <u>Year Property</u> <u>Tax Levy</u>	<u>Mills</u> <u>Levied</u>	<u>Total Property Tax</u>		<u>Percent</u> <u>Collected</u> <u>to Levied</u>
			<u>Levied</u>	<u>Collected</u> <sup>1</sup>	
2000	\$ 86,262,380	21.500	\$ 1,854,641	\$ 1,782,580	96.11%
2001	\$ 99,952,060	21.500	\$ 2,148,969	\$ 2,123,686	98.82%
2002	\$ 127,791,190	21.500	\$ 2,747,511	\$ 2,594,572	94.43%
2003	\$ 130,142,260	21.500	\$ 2,798,058	\$ 2,767,058	98.89%
2004	\$ 127,847,190	20.000	\$ 2,556,944	\$ 2,496,372	97.63%
2005	\$ 128,247,540	21.500	\$ 2,757,322	\$ 2,724,430	98.81%
2006	\$ 141,109,180	19.984	\$ 2,814,824 <sup>2</sup>	\$ 2,699,715	95.91%
2007	\$ 143,489,300	19.984	\$ 2,862,803 <sup>3</sup>	\$ 2,762,283	96.49%
2008	\$ 151,815,500	19.984	\$ 3,024,973 <sup>4</sup>	\$ 2,918,756	96.49%
2009	\$ 157,771,770	19.975	\$ 3,141,907 <sup>5</sup>	\$ 3,032,422	96.52%
2010	\$ 180,670,500	18.594	\$ 3,352,227 <sup>6</sup>	\$ 3,215,749	95.93%
2011	\$ 179,299,310	21.100	\$ 3,776,055 <sup>7</sup>	\$ 3,564,224	94.39%
2012	\$ 161,359,090	18.900	\$ 3,392,780 <sup>8</sup>	\$ 3,221,189	94.94%
2013	\$ 159,057,350	20.100	\$ 3,188,103 <sup>9</sup>	\$ 3,052,834	95.76%
2014	\$ 159,948,710	18.100	\$ 2,886,457 <sup>10</sup>	\$ 2,840,889	98.42%
2015	\$ 156,001,394	18.100	\$ 2,816,193 <sup>11</sup>	\$ 2,822,117	100.21%
2016	\$ 184,080,000	18.042	\$ 3,308,478 <sup>12</sup>	\$ 3,196,010	96.60%
2017	\$ 187,811,976	17.900	\$ 3,340,767 <sup>13</sup>	\$ 3,311,319	99.12%
Estimated for year ended December 31, 2018	\$ 226,838,509	16.545	\$ 3,731,210 <sup>14</sup>		

**NOTE**

- <sup>1</sup> Property taxes collected in any one year include the collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.
- <sup>2</sup> A portion of the AV equal to \$798,360 represents the 2004 exclusion to which only the 13.594 debt service mill levy is applied.
- <sup>3</sup> A portion of the AV equal to \$733,420 represents the 2004 exclusion to which only the 13.594 debt service mill levy is applied.
- <sup>4</sup> A portion of the AV equal to \$1,394,100 represents the 2004 exclusion to which only the 13.594 debt service mill levy is applied.
- <sup>5</sup> A portion of the AV equal to \$1,502,020 represents the 2004 exclusion to which only the 13.594 debt service mill levy is applied.
- <sup>6</sup> A portion of the AV equal to \$1,432,190 represents the 2004 exclusion to which only the 13.594 debt service mill levy is applied.
- <sup>7</sup> A portion of the AV equal to \$1,432,210 represents the 2004 exclusion to which only the 16.100 debt service mill levy is applied. Due to error, the 2011 debt service mill levy on the excluded property was too high. A reduced mill levy to offset this error was imposed in 2012. See Footnote 8 below.
- <sup>8</sup> A portion of the AV equal to \$1,294,760 represents the 2004 exclusion to which only the 11.911 debt service mill levy is applied. To remedy the 2011 debt service mill levy error, a reduced mill levy was imposed on the excluded property in 2012. See Footnote 7 above.
- <sup>9</sup> A portion of the AV equal to \$1,294,260 represents the 2004 exclusion to which only the 13.185 debt service mill levy is applied.
- <sup>10</sup> A portion of the AV equal to \$1,285,810 represents the 2004 exclusion to which only the 11.400 debt service mill levy is applied.
- <sup>11</sup> A portion of the AV equal to \$1,115,664 represents the 2004 exclusion to which only the 11.438 debt service mill levy is applied.
- <sup>12</sup> A portion of the AV equal to \$1,777,806 represents the 2004 exclusion to which only the 10.902 debt service mill levy is applied.
- <sup>13</sup> A portion of the AV equal to \$3,010,539 represents the 2004 exclusion to which only the 10.902 debt service mill levy is applied.
- <sup>14</sup> A portion of the AV equal to \$3,371,999 represents the 2004 exclusion to which only the 10.070 debt service mill levy is applied.



**Total Combined Debt Service**

<b><u>Year Ended</u> <u>December 31,</u></b>	<b><u>Total</u> <u>Principal</u></b>	<b><u>Total</u> <u>Interest</u></b>	<b><u>Total</u></b>
2018	925,000	1,632,372	2,557,372
2019	965,000	1,606,863	2,571,863
2020	1,065,000	1,582,421	2,647,421
2021	1,105,000	1,549,760	2,654,760
2022	1,210,000	1,518,168	2,728,168
2023	1,320,000	1,483,494	2,803,494
2024	1,385,000	1,445,007	2,830,007
2025	30,535,000	903,504	31,438,504
2026	170,000	551,706	721,706
2027	190,000	540,678	730,678
2028	205,000	528,352	733,352
2029	225,000	515,054	740,054
2030	245,000	500,121	745,121
2031	270,000	483,860	753,860
2032	290,000	465,940	755,940
2033	320,000	446,693	766,693
2034	345,000	425,454	770,454
2035	370,000	402,557	772,557
2036	980,000	378,000	1,358,000
2037	1,045,000	311,850	1,356,850
2038	1,115,000	241,312	1,356,312
2039	1,190,000	166,050	1,356,050
2040	<u>1,270,000</u>	<u>85,725</u>	<u>1,355,725</u>
	<b><u>\$ 46,740,000</u></b>	<b><u>\$ 17,764,941</u></b>	<b><u>\$ 64,504,941</u></b>

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION  
UNAUDITED

**DOVE VALLEY METROPOLITAN DISTRICT**

**Table I**  
**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**General Fund**  
**2011 - 2017**

**UNAUDITED**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>							
Property taxes	\$ 837,205	\$ 758,926	\$ 755,962	\$ 780,797	\$ 776,078	\$ 845,568	\$ 871,092
Specific ownership taxes	52,986	51,879	54,218	57,111	58,429	67,124	75,407
Net investment income	13,997	13,464	10,187	7,011	5,077	3,202	6,247
Miscellaneous	-	6,475	289	348	319	188	1,473
<b>Total Revenue</b>	<b>904,188</b>	<b>830,744</b>	<b>820,656</b>	<b>845,267</b>	<b>839,903</b>	<b>916,082</b>	<b>954,219</b>
<b>Expenditures</b>							
Audit	7,585	6,209	6,100	4,863	6,593	5,665	7,367
Legal	24,268	21,003	36,297	32,326	36,627	25,952	32,787
Landscape maintenance	100,249	144,078	106,337	118,034	83,807	107,436	92,969
Director fees	2,200	2,200	3,100	2,300	2,500	2,200	1,600
Economic development	500	500	2,405	-	5,000	5,000	-
Election expenses	-	515	50	976	-	1,602	-
Insurance	3,467	5,491	5,601	6,027	6,266	9,566	8,796
Treasurer's fees	12,612	11,434	11,245	11,724	11,650	12,676	13,076
Management fees	24,217	35,064	39,952	31,429	40,380	41,092	32,636
Accounting	19,358	12,587	12,550	16,924	21,944	23,720	18,752
Irrigation	83,547	103,438	72,927	80,191	96,991	89,768	100,919
Street lights	32,292	69,254	69,837	71,475	75,279	99,249	140,636
Engineering/consulting	-	-	-	1,275	-	-	-
Miscellaneous	5,195	5,369	5,967	6,334	8,961	6,581	4,455
Payroll taxes	-	-	-	-	-	168	122
<b>Total Expenditures</b>	<b>315,490</b>	<b>417,142</b>	<b>372,368</b>	<b>383,878</b>	<b>395,998</b>	<b>430,675</b>	<b>454,114</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>588,698</b>	<b>413,602</b>	<b>448,288</b>	<b>461,389</b>	<b>443,905</b>	<b>485,407</b>	<b>500,105</b>
<b>Other Financing Sources (Uses)</b>							
Transfer to other funds	(150,000)	(367,000)	(614,000)	(843,000)	(683,518)	-	-
<b>Total other financing sources (uses)</b>	<b>(150,000)</b>	<b>(367,000)</b>	<b>(614,000)</b>	<b>(843,000)</b>	<b>(683,518)</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>438,698</b>	<b>46,602</b>	<b>(165,712)</b>	<b>(381,611)</b>	<b>(239,613)</b>	<b>485,407</b>	<b>500,105</b>
<b>Fund Balance, Beginning</b>	<b>3,593,551</b>	<b>4,032,249</b>	<b>4,078,851</b>	<b>3,913,139</b>	<b>3,531,528</b>	<b>3,291,915</b>	<b>3,777,322</b>
<b>Fund Balance, Ending</b>	<b>\$ 4,032,249</b>	<b>\$ 4,078,851</b>	<b>\$ 3,913,139</b>	<b>\$ 3,531,528</b>	<b>\$ 3,291,915</b>	<b>\$ 3,777,322</b>	<b>\$ 4,277,427</b>

**DOVE VALLEY METROPOLITAN DISTRICT**

**Table II**  
**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Debt Service**  
**2011 - 2017**

**UNAUDITED**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>							
Property taxes	\$ 2,727,019	\$ 2,462,263	\$ 2,296,872	\$ 2,060,092	\$ 2,046,039	\$ 2,350,442	\$ 2,440,227
Specific ownership taxes	171,897	167,767	164,910	150,685	154,047	186,505	210,662
Net investment income	7,978	9,807	6,890	3,395	2,639	838	4,919
Federal direct payment subsidy	194,795	204,449	186,978	189,627	190,036	190,547	190,342
<b>Total Revenue</b>	<b>3,101,689</b>	<b>2,844,286</b>	<b>2,655,650</b>	<b>2,403,799</b>	<b>2,392,761</b>	<b>2,728,332</b>	<b>2,846,150</b>
<b>Expenditures</b>							
Treasurer's fees	40,961	37,050	34,655	30,937	30,715	35,231	36,629
Bond/loan principal	565,000	640,000	660,000	735,000	1,605,000	875,000	900,000
Bond/loan interest	2,558,256	2,563,241	2,537,641	2,511,241	1,404,285	1,684,329	1,657,192
Loan issuance costs	-	-	-	-	327,688	-	-
County IGA interest	12,156	369	-	-	-	-	-
County IGA principal	165,711	5,594	-	-	-	-	-
Paying agent fees	334	1,167	1,250	1,250	2,600	3,100	2,600
<b>Total Expenditures</b>	<b>3,342,418</b>	<b>3,247,421</b>	<b>3,233,546</b>	<b>3,278,428</b>	<b>3,370,288</b>	<b>2,597,660</b>	<b>2,596,421</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>(240,729)</b>	<b>(403,135)</b>	<b>(577,896)</b>	<b>(874,629)</b>	<b>(977,527)</b>	<b>130,672</b>	<b>249,729</b>
<b>Other Financing Sources (Uses)</b>							
Transfer from other funds	150,000	367,000	614,000	843,634	683,457	-	-
Refunding loan proceeds	-	-	-	-	40,635,000	-	-
Payment to refunding escrow	-	-	-	-	(40,278,267)	-	-
<b>Total other financing sources (uses)</b>	<b>150,000</b>	<b>367,000</b>	<b>614,000</b>	<b>843,634</b>	<b>1,040,190</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>(90,729)</b>	<b>(36,135)</b>	<b>36,104</b>	<b>(30,995)</b>	<b>62,663</b>	<b>130,672</b>	<b>249,729</b>
<b>Fund Balance, Beginning</b>	<b>724,262</b>	<b>633,533</b>	<b>597,398</b>	<b>633,502</b>	<b>602,507</b>	<b>665,170</b>	<b>795,842</b>
<b>Fund Balance, Ending</b>	<b>\$ 633,533</b>	<b>\$ 597,398</b>	<b>\$ 633,502</b>	<b>\$ 602,507</b>	<b>\$ 665,170</b>	<b>\$ 795,842</b>	<b>\$ 1,045,571</b>

**DOVE VALLEY METROPOLITAN DISTRICT**

**Table III  
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance  
Capital Projects Fund  
2011 - 2017**

**UNAUDITED**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>							
Interest Income	\$ 13,384	\$ 7,052	\$ 5,237	\$ 4,473	\$ 3,594	\$ 4,619	\$ 8,854
Reimbursement-projects	135,501	-	-	52,075	-	-	-
Miscellaneous	-	1,004	-	11,595	-	15,000	-
<b>Total Revenue</b>	<b>148,885</b>	<b>8,056</b>	<b>5,237</b>	<b>68,143</b>	<b>3,594</b>	<b>19,619</b>	<b>8,854</b>
<b>Expenditures</b>							
Contribution to City for traffic study	-	-	-	-	-	15,000	-
Legal	23,184	7,967	20,611	28,200	20,260	11,978	10,197
District Management	-	-	13,004	8,938	15,556	12,588	6,210
District Identity and Website	-	-	-	12,979	54,020	10,087	5,725
Project Management	9,668	17,631	19,257	9,893	35,762	17,302	7,268
Capital Improvements	477,079	772,332	411,408	413,395	1,621,837	874,588	512,626
<b>Total Expenditures</b>	<b>509,931</b>	<b>797,930</b>	<b>464,280</b>	<b>473,405</b>	<b>1,747,435</b>	<b>941,543</b>	<b>542,026</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>(361,046)</b>	<b>(789,874)</b>	<b>(459,043)</b>	<b>(405,262)</b>	<b>(1,743,841)</b>	<b>(921,924)</b>	<b>(533,172)</b>
<b>Other Financing Sources (Uses)</b>							
Grant proceeds	-	-	-	25,145	1,273	284,149	-
Transfer to other funds	-	-	-	(634)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,511</b>	<b>1,273</b>	<b>284,149</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>(361,046)</b>	<b>(789,874)</b>	<b>(459,043)</b>	<b>(380,751)</b>	<b>(1,742,568)</b>	<b>(637,775)</b>	<b>(533,172)</b>
<b>Fund Balance, Beginning</b>	<b>9,878,370</b>	<b>9,517,324</b>	<b>8,727,450</b>	<b>8,268,407</b>	<b>7,887,656</b>	<b>6,145,088</b>	<b>5,507,313</b>
<b>Fund Balance, Ending</b>	<b>\$ 9,517,324</b>	<b>\$ 8,727,450</b>	<b>\$ 8,268,407</b>	<b>\$ 7,887,656</b>	<b>\$ 6,145,088</b>	<b>\$ 5,507,313</b>	<b>\$ 4,974,141</b>

**DOVE VALLEY METROPOLITAN DISTRICT**

**Table IV  
Historical Debt Ratios**

**UNAUDITED**

	Fiscal Years Ending December 31,							
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Outstanding	\$ 50,510,000	\$ 49,945,000	\$ 49,305,000	\$ 48,645,000	\$ 47,910,000	\$ 48,515,000	\$ 47,640,000	\$ 46,740,000
Assessed Value	\$ 179,299,310	\$ 161,359,090	\$ 159,057,350	\$ 159,948,710	\$ 156,001,394	\$ 184,080,000	\$ 187,811,976	\$ 226,838,509
Ratio of Debt to Assessed Value	28.17%	30.95%	31.00%	30.41%	30.71%	26.36%	25.37%	20.60%

# DOVE VALLEY METROPOLITAN DISTRICT

**Table V**  
**Ten Largest Taxpayers within the District**

**UNAUDITED**

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2017 Assessed Valuation</u>	<u>Percent of District Total Assessed Valuation</u> <sup>(1)</sup>
OFI Global Asset Management	Real	\$ 8,913,730	3.93%
PDB Sports LTD	Real	8,442,991	3.72%
Dove Valley Properties, LLC	Real	4,935,801	2.18%
VVP DVA LLC	Real	4,088,448	1.80%
PayPal Inc	Personal	3,307,267	1.46%
HCA-HealthOne LLC	Real	3,190,000	1.41%
NGP V DENVER CO LLC	Real	3,148,240	1.39%
Building Materials Holding Corp	Real	3,065,300	1.35%
Qwest Corp Property Tax	State Assessed	3,033,200	1.34%
WPC-Briarwood LLC	Real	2,977,430	1.31%
Total		<u>\$ 45,102,407</u>	<u>19.88%</u>

<sup>(1)</sup> Based on the 2017 Certified Valuation of \$226,838,509  
 Source: Arapahoe County Assessor's Office  
<http://www.co.arapahoe.co.us/224/Forms-and-Reports>

# DOVE VALLEY METROPOLITAN DISTRICT

## Table VI

### History of District's Mill Levies and Ad Valorem Property Tax Receipts

#### UNAUDITED

Levy/Collection Year	Mill Levies			Total
	General	Bond Redemption	Abatements/ Refunds	
2004/2005	6.700	14.800	-	21.500
2005/2006	6.390	13.594	-	19.984
2006/2007	6.390	13.594	-	19.984
2007/2008	6.390	13.594	-	19.984
2008/2009	6.381	13.594	-	19.975
2009/2010	5.000	13.594	-	18.594
2010/2011	5.000	16.100	-	21.100
2011/2012	5.000	16.100	(2.200)	18.900
2012/2013	5.000	15.100	-	20.100
2013/2014	5.000	13.100	-	18.100
2014/2015	5.000	13.100	-	18.100
2015/2016	5.000	13.293	(0.251)	18.042
2016/2017	5.000	13.100	(0.200)	17.900
2017/2018	5.000	12.100	(0.555)	16.545

# DOVE VALLEY METROPOLITAN DISTRICT

Table VII

## History of District's Assessed Value

### UNAUDITED

Levy/Collection <u>Year</u>	<u>Assessed Value</u>	<u>Percent Change</u>
2004/2005	\$ 128,247,540	0.00%
2005/2006	141,109,180	10.03%
2006/2007	143,489,300	1.69%
2007/2008	151,815,500	5.80%
2008/2009	157,771,770	3.92%
2009/2010	180,670,500	14.51%
2010/2011	179,299,310	-0.76%
2011/2012	161,359,090	-10.01%
2012/2013	159,057,350	-1.43%
2013/2014	159,948,710	0.56%
2014/2015	156,001,394	-2.47%
2015/2016	184,080,000	18.00%
2016/2017	187,811,976	2.03%
2017/2018	226,838,509	20.78%

**DOVE VALLEY METROPOLITAN DISTRICT**

**Table XI  
General Fund Budget Summary and Comparison**

**2015-2018**

**UNAUDITED**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2018</u>
	<u>Budget as amended</u>	<u>Budget as adopted</u>	<u>Budget as adopted</u>	<u>Budget as adopted</u>	<u>YTD unaudited</u>
<b>Revenues</b>					
Property taxes	\$ 758,940	\$ 857,375	\$ 868,567	\$ 973,443	\$ 455,712
Specific ownership taxes	59,040	59,040	59,000	59,599	19,113
Net investment income	5,100	5,000	2,550	4,000	9,861
Miscellaneous	188	-	-	-	418
<b>Total Revenue</b>	<b>823,268</b>	<b>921,415</b>	<b>930,117</b>	<b>1,037,042</b>	<b>485,104</b>
<b>Expenditures</b>					
Audit	4,863	8,000	7,000	7,500	233
Consulting	-	1,500	1,500	1,500	-
Legal	47,000	47,000	47,000	47,940	2,154
Landscape maintenance	105,000	105,000	105,000	110,000	2,135
Director fees	2,800	3,200	3,200	3,200	300
Economic development	-	5,000	-	-	-
Election expenses	-	1,000	-	2,000	385
Insurance	6,027	6,700	10,100	11,110	9,457
Treasurer's fees	11,700	13,680	13,306	14,897	6,832
Management fees	48,500	49,000	50,150	51,153	5,527
Accounting	21,000	21,000	21,320	21,746	4,795
Irrigation	80,191	83,000	100,000	100,000	4,926
Street Lights	75,000	75,000	78,700	100,000	17,341
Payroll Taxes	-	-	-	245	23
Emergency reserve	-	27,650	27,910	31,120	-
Miscellaneous	12,000	7,245	7,245	7,000	1,040
<b>Total Expenditures</b>	<b>414,081</b>	<b>453,975</b>	<b>472,431</b>	<b>509,411</b>	<b>55,149</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>409,187</b>	<b>467,440</b>	<b>457,686</b>	<b>527,631</b>	<b>429,955</b>
<b>Other Financing Sources (Uses)</b>					
Transfer to other funds	(1,425,919)	(1,000,000)	(1,020,000)	(2,000,000)	-
<b>Total other financing sources (uses)</b>	<b>(1,425,919)</b>	<b>(1,000,000)</b>	<b>(1,020,000)</b>	<b>(2,000,000)</b>	<b>-</b>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<b>(1,016,732)</b>	<b>(532,560)</b>	<b>(562,314)</b>	<b>(1,472,369)</b>	<b>429,955</b>
<b>Fund Balance, Beginning</b>	<b>3,531,528</b>	<b>2,920,201</b>	<b>3,780,720</b>	<b>3,196,703</b>	<b>4,277,427</b>
<b>Fund Balance, Ending</b>	<b>\$ 2,514,796</b>	<b>\$ 2,387,641</b>	<b>\$ 3,218,406</b>	<b>\$ 1,724,334</b>	<b>\$ 4,707,383</b>

**DOVE VALLEY METROPOLITAN DISTRICT**

**Table XII  
Debt Service Fund Budget Summary and Comparison**

**2015-2018**

**UNAUDITED**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2018</u>
	<u>Budget as amended</u>	<u>Budget as adopted</u>	<u>Budget as adopted</u>	<u>Budget as adopted</u>	<u>YTD unaudited</u>
<b>Revenues</b>					
Property taxes	\$ 1,983,235	\$ 2,384,722	\$ 2,404,646	\$ 2,683,143	\$ 1,257,438
Specific ownership taxes	154,692	154,700	163,600	164,274	52,683
Net investment income	1,101	1,000	500	2,700	1,346
Federal direct payment subsidy	379,253	189,524	190,546	190,546	95,478
<b>Total Revenue</b>	<b>2,518,281</b>	<b>2,729,946</b>	<b>2,759,292</b>	<b>3,040,663</b>	<b>1,406,945</b>
<b>Expenditures</b>					
Treasurer's fees	30,185	36,200	36,900	41,069	18,852
Bond/loan principal	1,605,000	875,000	900,000	925,000	-
Bond/loan interest	2,169,627	1,666,293	1,642,493	1,632,372	-
Loan issuance costs	327,688	-	-	-	-
Arbitrage calculations	-	20,000	-	-	-
Paying agent fees	5,000	5,000	5,000	5,000	1,100
<b>Total Expenditures</b>	<b>4,137,500</b>	<b>2,602,493</b>	<b>2,584,393</b>	<b>2,603,441</b>	<b>19,952</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>(1,619,219)</b>	<b>127,453</b>	<b>174,899</b>	<b>437,222</b>	<b>1,386,993</b>
<b>Other Financing Sources (Uses)</b>					
Refunding loan proceeds	40,635,000	-	-	-	-
Payment to refunding escrow	(40,292,500)	-	-	-	-
Transfer to (from) other funds	1,425,858	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,768,358</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<b>149,139</b>	<b>127,453</b>	<b>174,899</b>	<b>437,222</b>	<b>1,386,993</b>
<b>Fund Balance, Beginning</b>	<b>602,507</b>	<b>932,813</b>	<b>803,004</b>	<b>958,339</b>	<b>1,045,572</b>
<b>Fund Balance, Ending</b>	<b>\$ 751,646</b>	<b>\$ 1,060,266</b>	<b>\$ 977,903</b>	<b>\$ 1,395,561</b>	<b>\$ 2,432,565</b>

**DOVE VALLEY METROPOLITAN DISTRICT**

**Table XIII  
Capital Projects Fund Budget Summary and Comparison**

**2015-2018**

**UNAUDITED**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2018</u>
	<u>Budget as adopted</u>	<u>Budget as adopted</u>	<u>Budget as adopted</u>	<u>Budget as adopted</u>	<u>YTD unaudited</u>
<b>Revenues</b>					
Grant Proceeds	\$ 100,000	\$ 285,000	\$ -	\$ -	\$ -
Interest Income	7,000	4,000	4,900	8,500	3,005
<b>Total Revenue</b>	<u>107,000</u>	<u>289,000</u>	<u>4,900</u>	<u>8,500</u>	<u>3,005</u>
<b>Expenditures</b>					
Legal	25,000	25,000	25,000	25,500	2,373
District management	15,000	15,000	15,400	15,708	1,973
District identity and website	50,000	50,000	50,000	50,000	71
Project Management	20,000	30,000	30,000	30,000	-
Capital Improvements	3,370,000	5,839,320	3,915,000	4,597,500	1,126,148
Contingency	3,707,363	1,025,000	-	-	-
<b>Total Expenditures</b>	<u>7,187,363</u>	<u>6,984,320</u>	<u>4,035,400</u>	<u>4,718,708</u>	<u>1,130,564</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<u>(7,080,363)</u>	<u>(6,695,320)</u>	<u>(4,030,500)</u>	<u>(4,710,208)</u>	<u>(1,127,559)</u>
<b>Other Financing Sources (Uses)</b>					
Transfer (to) from other funds	-	1,000,000	1,020,000	2,000,000	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>1,000,000</u>	<u>1,020,000</u>	<u>2,000,000</u>	<u>-</u>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<u>(7,080,363)</u>	<u>(5,695,320)</u>	<u>(3,010,500)</u>	<u>(2,710,208)</u>	<u>(1,127,559)</u>
<b>Fund Balance, Beginning</b>	<u>7,080,363</u>	<u>6,405,104</u>	<u>3,013,279</u>	<u>4,256,008</u>	<u>4,908,855</u>
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ 709,784</u>	<u>\$ 2,779</u>	<u>\$ 1,545,800</u>	<u>\$ 3,781,296</u>